

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION  
AND FINANCIAL STATEMENTS  
EXPORT – IMPORT BANK OF THAILAND  
FOR THE THREE – MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016  
(TRANSLATION)

(TRANSLATION)

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO : MINISTER OF FINANCE

The Office of the Auditor General of Thailand has reviewed the statements of financial position of the Export-Import Bank of Thailand, as at September 30, 2016, and the statements of profit or loss and other comprehensive income for the three-month period and nine-month period ended September 30, 2016, changes in shareholders' equity and cash flows for the nine-month period then ended, and the condensed notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting. The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

**Scope of review**

The Office of the Auditor General of Thailand conducted the review in accordance with Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion.

**Conclusion**

Based on the review, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34: Interim Financial Reporting.

(Signed) *Thurdpong Pongsaksri*

(Mr. Thurdpong Pongsaksri)

Director of Financial Audit Office No.1

(Signed) *Atinuch Thienchaiwattana*

(Mrs. Atinuch Thienchaiwattana)

Auditor in Charge

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2016

		Unit : Thousand Baht		
	Notes	September 30, 2016	December 31, 2015	January 1, 2015
		"Unaudited" "Reviewed"	(Restated)	Brought Forward (Restated)
<u>Assets</u>				
Cash		1,061	179	255
Interbank and money market items, net	6.2	4,529,618	4,969,562	5,164,251
Derivative assets	6.3	699,690	797,969	824,672
Investments, net	6.4	2,312,599	2,462,857	1,869,818
Loans to customers and accrued interest receivables, net	6.5			
Loans to customers		68,114,557	66,224,089	66,905,024
Accrued interest receivables		242,529	231,863	235,018
Total loans to customers and accrued interest receivables		<u>68,357,086</u>	<u>66,455,952</u>	<u>67,140,042</u>
Less Deferred revenue		(2,887)	(2,940)	(5,911)
Less Allowance for doubtful accounts	6.6	(6,293,605)	(5,542,391)	(4,546,386)
Less Revaluation allowance for debt restructuring	6.7	(66,619)	(38,726)	(117,584)
Total loans to customers and accrued interest receivables, net		<u>61,993,975</u>	<u>60,871,895</u>	<u>62,470,161</u>
Loans to customers from public service account and accrued interest receivables, net	6.30.2			
Loans to customers from public service account				
Portion that is not subject to government compensation for damages		6,353,670	7,315,417	6,262,971
Accrued interest receivables from public service account				
Portion that is not subject to government compensation for damages		2,733	3,688	4,028
Total loans to customers from public service account and accrued interest receivables		<u>6,356,403</u>	<u>7,319,105</u>	<u>6,266,999</u>
Less Allowance for doubtful accounts from public service account	6.30.3	(63,537)	(73,154)	(62,630)
Total loans to customers from public service account and accrued interest receivables, net		<u>6,292,866</u>	<u>7,245,951</u>	<u>6,204,369</u>
Receivable eligible for government reimbursement	6.30.4	21,304	8,002	6,937
Properties foreclosed, net	6.8	822,482	815,368	843,949
Premises and equipment, net	6.9	804,991	807,019	814,388
Intangible assets, net	6.10	87,836	96,114	94,248
Accrued interest receivables not related to loans		1,819	15,218	6,503
Reinsurance assets	6.11	130,352	132,718	153,192
Prepaid expenses		36,149	39,971	27,552
Other assets, net	6.12	8,258	9,012	14,184
Total assets		<u><u>77,743,000</u></u>	<u><u>78,271,835</u></u>	<u><u>78,494,479</u></u>

The notes to the financial statements are an integral part of these statements.

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2016

Unit : Thousand Baht

	Notes	September 30, 2016	December 31, 2015	January 1, 2015
		"Unaudited"	(Restated)	Brought Forward
		"Reviewed"		(Restated)
<u>Liabilities and Shareholders' Equity</u>				
Deposits	6.13	6,971,744	6,277,083	5,493,951
Interbank and money market items, net	6.14	15,622,850	15,143,737	20,580,748
Liabilities payable on demand		492,973	460,121	259,509
Derivative liabilities	6.3	112,673	119,466	119,041
Debt issued and borrowings	6.15	33,658,903	36,230,893	32,675,852
Provisions	6.16	200,227	208,452	184,876
Accrued interest payables		253,294	186,308	322,883
Provision for insurance service		268,000	260,603	271,463
Remittance payable to the Ministry of Finance		214,400	-	-
Other liabilities	6.17	696,476	567,169	714,179
<b>Total liabilities</b>		<b>58,491,540</b>	<b>59,453,832</b>	<b>60,622,502</b>
Shareholders' equity				
Capital	6.18	12,800,000	12,800,000	12,800,000
Paid-up capital		12,800,000	12,800,000	12,800,000
Other components of equity		1,262	1,396	2,603
Retained earnings				
Appropriated				
Legal reserve		5,850,000	5,089,000	4,330,000
Unappropriated		600,198	927,607	739,374
<b>Total shareholders' equity</b>		<b>19,251,460</b>	<b>18,818,003</b>	<b>17,871,977</b>
<b>Total liabilities and shareholders' equity</b>		<b>77,743,000</b>	<b>78,271,835</b>	<b>78,494,479</b>

The notes to the financial statements are an integral part of these statements.

-----  
(Miss Suttirat Rattanachot)

Chairman

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(Mr. Pisit Serewiwattana)

President

"Unaudited"

## EXPORT-IMPORT BANK OF THAILAND

"Reviewed"

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unit : Thousand Baht

	<u>2016</u>	<u>2015</u>
Interest revenue	877,202	745,731
Interest expenses	213,805	187,527
Net interest income	<u>663,397</u>	<u>558,204</u>
Fees and service revenue	75,763	70,783
Fees and service expenses	22,377	19,916
Net fees and service income	<u>53,386</u>	<u>50,867</u>
Loss on tradings and foreign exchange transactions	(4,605)	(1,735)
Gains (Losses) on investments	1,571	(2,609)
Other operating revenue	1,363	142
Revenue from public service account	71,081	65,708
Total operating revenue	<u>786,193</u>	<u>670,577</u>
Other operating expenses		
Personnel expenses	157,106	145,327
Directors' remuneration	1,546	1,598
Premises and equipment expenses	10,519	9,584
Losses on claims and provision for insurance service	8,430	(65,109)
Losses on impairment of properties foreclosed	(4,989)	16
Others	12,523	(4,768)
Total operating expenses	<u>185,135</u>	<u>86,648</u>
Expenses from public service account	34,664	25,797
Impairment loss of loans and debt securities	248,224	158,869
Net income	<u>318,170</u>	<u>399,263</u>
Other comprehensive income (losses)		
Item that will be reclassified subsequently to profit or loss		
Gains (Losses) on revaluation of available-for-sale investment	(349)	(537)
Total other comprehensive income (losses)	<u>(349)</u>	<u>(537)</u>
Total comprehensive income	<u>317,821</u>	<u>398,726</u>

The notes to the financial statements are an integral part of these statements.

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(Miss Suttirat Rattanachot)

Chairman

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(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

		Unit : Thousand Baht	
	Notes	2016	2015
Interest revenue	6.24	2,437,128	2,391,261
Interest expenses	6.25	611,086	597,996
Net interest income		<u>1,826,042</u>	<u>1,793,265</u>
Fees and service revenue		265,561	258,885
Fees and service expenses		54,597	56,455
Net fees and service income	6.26	<u>210,964</u>	<u>202,430</u>
Gains on tradings and foreign exchange transactions	6.27	69,641	32,065
Gains (Losses) on investments	6.28	(7,599)	(3)
Other operating revenue		4,047	737
Revenue from public service account	6.30.5	226,744	191,220
Total operating revenue		<u>2,329,839</u>	<u>2,219,714</u>
Other operating expenses			
Personnel expenses		464,361	431,045
Directors' remuneration		4,628	4,589
Premises and equipment expenses		24,050	25,941
Taxes and duties		-	2
Losses on claims and provision for insurance service		8,202	(17,690)
Losses on impairment of properties foreclosed		(99)	4,202
Others		89,541	89,570
Total operating expenses		<u>590,683</u>	<u>537,659</u>
Expenses from public service account	6.30.6	101,714	74,769
Impairment loss of loans and debt securities	6.29	706,801	428,659
Net income		<u>930,641</u>	<u>1,178,627</u>
Other comprehensive income (losses)			
Item that will be reclassified subsequently to profit or loss			
Gains (Losses) on revaluation of available-for-sale investment		(134)	(778)
Total other comprehensive income (losses)		<u>(134)</u>	<u>(778)</u>
Total comprehensive income		<u><u>930,507</u></u>	<u><u>1,177,849</u></u>

The notes to the financial statements are an integral part of these statements.

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(Miss Suttirat Rattanaochot)

Chairman

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(Mr. Pisit Serewiwattana)

President

"Unaudited"

"Reviewed"

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

Unit : Thousand Baht

	Capital	Other Components of Equity	Appropriated Retained Earnings	Unappropriated Retained Earnings	Total
		Revaluation Surplus (Deficit) on Investments			
Beginning balance as at January 1, 2015	12,800,000	2,603	4,330,000	739,374	17,871,977
Legal reserve	-	-	759,000	(759,000)	-
Remittance to the Ministry of Finance	-	-	-	(285,800)	(285,800)
Total comprehensive income	-	(778)	-	1,178,627	1,177,849
Ending balance as at September 30, 2015	12,800,000	1,825	5,089,000	873,201	18,764,026
Beginning balance as at January 1, 2016	12,800,000	1,396	5,089,000	927,607	18,818,003
Legal reserve	-	-	761,000	(761,000)	-
Remittance to the Ministry of Finance	-	-	-	(497,050)	(497,050)
Total comprehensive income	-	(134)	-	930,641	930,507
Ending balance as at September 30, 2016	12,800,000	1,262	5,850,000	600,198	19,251,460

The notes to the financial statements are an integral part of these statements.

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(Miss Suttirat Rattanachot)

Chairman

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(Mr. Pisit Serewiwattana)

President

EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Unit : Thousand Baht	
	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Net income	930,641	1,178,627
Adjustments to reconcile net income to cash received (paid) from operating activities		
Depreciation and amortization expenses	39,022	40,735
Bad debt and doubtful accounts	744,211	677,832
Loss on debt restructuring (reversal)	37,203	(58,367)
(Gain) loss on disposal of assets	514	(438)
(Reversal) loss on impairment of properties foreclosed	(99)	4,202
Loss on revaluation of foreign currencies	461,496	549,687
Derivative revaluation	(35,346)	30,565
Gain on disposal of investments	-	(3,187)
Loss on impairment of investments	7,598	3,189
Amortization of premium (discount) on debt securities	26,222	(11,053)
Increase (Decrease) in provisions	(8,225)	26,710
Bad debt and provision for other receivables (reversal)	17,359	(59,422)
Loss on claims and provision for insurance service (reversal)	8,202	(17,690)
Decrease (Increase) in revenue receivables	917	(805)
Decrease (Increase) in prepaid expenses	2,267	(14,801)
Increase (Decrease) in other accrued expenses	(312)	7,273
	2,231,670	2,353,057
Net interest income	(1,963,367)	(1,915,699)
Dividend income	(356)	-
Proceeds from interest income	2,629,174	2,535,449
Interest expenses paid	(629,311)	(779,406)
Proceeds from dividend income	356	-
Income from operations before changes in operating assets and liabilities	2,268,166	2,193,401
(Increase) Decrease in operating assets		
Interbank and money market items	429,925	1,542,057
Loans, net	(2,835,713)	2,106,773
Properties foreclosed, net	8,502	(138)
Reinsurance assets	306	-
Other assets, net	(1,140)	14,045

The notes to the financial statements are an integral part of these statements.



EXPORT-IMPORT BANK OF THAILAND  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

	Unit : Thousand Baht	
	2016	2015
<b>Cash flows from operating activities</b>		
Increase (Decrease) in operating liabilities		
Deposits	734,730	730,407
Interbank and money market items	677,159	(6,820,536)
Liabilities payable on demand	32,852	49,127
Short-term debt issued and borrowings	-	(300,000)
Other liabilities	112,715	(52,258)
Net cash provided by (used in) operating activities	1,427,502	(537,122)
<b>Cash flows from investing activities</b>		
Purchases of held-to-maturity debt securities	(3,820,000)	(2,210,000)
Proceeds from redemption of held-to-maturity debt securities	3,930,000	1,616,781
Proceeds from disposal of general investments	-	18,730
Purchases of premises and equipment	(25,424)	(23,150)
Proceeds from sales of premises and equipment	3,871	3,583
Purchases of intangible assets	(7,417)	(9,019)
Net cash provided by (used in) investing activities	81,030	(603,075)
<b>Cash flows from financing activities</b>		
Proceeds from long-term debt issued and borrowings	-	10,262,783
Repayments of long-term debt issued and borrowings	(1,225,000)	(8,831,776)
Remittance to the Ministry of Finance	(282,650)	(285,800)
Net cash provided by (used in) financing activities	(1,507,650)	1,145,207
<b>Net increase in cash and cash equivalents</b>	882	5,010
<b>Cash and cash equivalents at the beginning of the period</b>	179	255
<b>Cash and cash equivalents at the end of the period</b>	1,061	5,265

The notes to the financial statements are an integral part of these statements.

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(Miss Suttirat Rattanachot)

Chairman

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(Mr. Pisit Serewiwattana)

President

**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

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EXPORT-IMPORT BANK OF THAILAND  
NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016

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**EXPORT-IMPORT BANK OF THAILAND**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD AND NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2016**

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**1. GENERAL INFORMATION**

Export-Import Bank of Thailand (or “the Bank”) was established by the Export-Import Bank of Thailand Act, 1993 (B.E. 2536), which was amended by the Export-Import Bank of Thailand Act (No.2), 1999 (B.E. 2542), with the objective to provide financial supports for exports, imports and investments related to the development of the Thai economy. Its services include:

- export financing services provided through commercial banks;
- short-term and long-term credits provided directly to exporters;
- medium-term credits for export business expansion;
- short-term and medium-term credits to foreign banks to finance goods imported from Thailand;
- credit and equity financing to support Thai investments overseas that are beneficial to the country;
- export credit insurance services to Thai exporters;
- credits for overseas projects yielding economic returns to Thailand;
- investment insurance services for overseas investments of Thai investors who have been granted credit lines from the Bank; and
- stand-by claims purchase agreement services.

The Bank’s Head Office is located at 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok.

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Basis of Preparation of the Financial Statements**

The interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2015): Interim Financial Reporting, covering the statements of financial position, statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows as those of annual financial statements and notes on only material item.

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2015. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2015.

The financial statements are prepared in conformity with generally accepted accounting principles as prescribed in the Accounting Act, 2000 (B.E. 2543) and presented in accordance with the Notification, issued by the Bank of Thailand, No. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions.

## 2.2 The Revised Thai Financial Reporting Standards

The Bank has adopted the revised Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS) and Thai Financial Reporting Interpretation (TFRIC), which are effective for the financial statements beginning on or after January 1, 2016 as follows :

### Thai Financial Reporting Standards

TAS 1	(Revised 2015)	Presentation of Financial Statements
TAS 7	(Revised 2015)	Statement of Cash Flows
TAS 8	(Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10	(Revised 2015)	Events after the Reporting Period
TAS 16	(Revised 2015)	Property, Plant and Equipment
TAS 17	(Revised 2015)	Leases
TAS 18	(Revised 2015)	Revenue
TAS 19	(Revised 2015)	Employee Benefits
TAS 20	(Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21	(Revised 2015)	The Effects of Changes in Foreign Exchange Rate
TAS 24	(Revised 2015)	Related Party Disclosures
TAS 29	(Revised 2015)	Financial Reporting in Hyperinflationary Economics
TAS 34	(Revised 2015)	Interim Financial Reporting
TAS 36	(Revised 2015)	Impairment of Assets
TAS 37	(Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38	(Revised 2015)	Intangible Assets
TFRS 4	(Revised 2015)	Insurance Contracts
TFRS 13	(Revised 2015)	Fair Value Measurement

### Thai Financial Reporting Interpretation

TFRIC 7	(Revised 2015)	Applying the Restatement Approach under TAS29 (Revised 2015) Financial Reporting in Hyperinflationary Economics
TFRIC 10	(Revised 2015)	Interim Financial Reporting and Impairment

Adopting TAS, TFRS and TFRIC mentioned above have no material impact on the Bank's financial statements.

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at September 30, 2016 and December 31, 2015, the Bank determines level of the fair value hierarchy of financial assets and financial liabilities as follows:

Unit : Million Baht

	<u>September 30, 2016</u>		
	<u>Fair Value</u>		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	278.58	278.58
- Interest rate	-	421.11	421.11
Available-for-sale investments	<u>2.33</u>	-	<u>2.33</u>
Total financial assets	<u>2.33</u>	<u>699.69</u>	<u>702.02</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	19.52	19.52
- Interest rate	<u>-</u>	<u>93.15</u>	<u>93.15</u>
Total financial liabilities	<u>-</u>	<u>112.67</u>	<u>112.67</u>
 <u>December 31, 2015</u>			
		<u>Fair Value</u>	
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<b>Financial Assets</b>			
Derivative assets			
- Exchange rate	-	387.72	387.72
- Interest rate	-	410.25	410.25
Available-for-sale investments	<u>2.47</u>	-	<u>2.47</u>
Total financial assets	<u>2.47</u>	<u>797.97</u>	<u>800.44</u>
<b>Financial Liabilities</b>			
Derivative liabilities			
- Exchange rate	-	27.03	27.03
- Interest rate	<u>-</u>	<u>92.44</u>	<u>92.44</u>
Total financial liabilities	<u>-</u>	<u>119.47</u>	<u>119.47</u>

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair values are determined according to the following hierarchy :

Level 1 - quoted prices in active market for identical assets or liabilities.

Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market.

Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market.

Level 2 fair values for derivatives are the prices which are based on market prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk.

### 4. CAPITAL ADEQUACY UNDER THE MINISTERIAL REGULATIONS AND BASEL II STANDARD

#### 4.1 Capital under the Ministerial Regulations

As at September 30, 2016, the Bank's capital adequacy ratio (CAR) stood at 25.11 %, exceeding the minimum capital adequacy ratio stipulated in the Ministerial Regulations (not less than 8.00%) and its capital to insurance service contingent liabilities ratio stood at 122.70%, exceeding the minimum capital to insurance service contingent liabilities ratio stipulated in the Ministerial Regulation (not less than 20.00%).

#### Capital Adequacy Ratio Based on the Ministerial Regulations

Unit: Million Baht

	<u>Ministerial Regulations</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
1. Capital *		18,548.04	17,583.33
2. Risk assets **		73,876.94	73,149.50
3. Insurance service contingent liabilities		15,116.08	15,861.46
4. Capital to risk assets (1)/(2)	Not less than 8.00%	25.11%	24.04%
5. Capital to insurance service contingent liabilities (1)/(3)	Not less than 20.00%	122.70%	110.86%

Remarks : \* Capital includes only capital under the Ministerial Regulations.

\*\* Risk assets have been calculated from credit risk assets according to the Ministerial Regulation, which excluded insurance service contingent liabilities.

#### 4.2 Capital under Basel II Standard

As at September 30, 2016 and December 31, 2015, the Bank's capital to risk assets ratio under Basel II standard are as follows:

<b>Capital Structure Based on Basel II</b>		
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Unit: Million Baht		
Tier 1 Capital		
Paid-up capital	12,800.00	12,800.00
Legal reserve	5,850.00	5,089.00
Cumulative loss	<u>(101.96)</u>	<u>(305.67)</u>
Total Tier 1 Capital	18,548.04	17,583.33
Tier 2 Capital		
Allowance for pass asset-classification	1,221.80	1,211.85
<u>Add</u> Revaluation surplus on investments in available-for-sale equity securities	<u>0.72</u>	<u>0.63</u>
Total Tier 2 Capital	<u>1,222.52</u>	<u>1,212.48</u>
Total Capital Fund under Basel II	<u>19,770.56</u>	<u>18,795.81</u>

#### Capital Adequacy Ratio Based on Basel II

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Tier 1 capital to risk assets	18.98%	18.14%
Total capital to risk assets	20.23%	19.39%

Unit: Million Baht

	<u>September 30, 2016</u>
Capital after deducting capital add – on arising from single lending limit	18,612.84
Capital adequacy ratio after deducting capital add – on arising from single lending limit	19.04%

#### 5. ESTIMATES AND ASSUMPTIONS

In preparation of the financial statements in conformity with Thai Financial Reporting Standards, the Bank has to set up estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities. The consideration for such estimates and assumptions is based on the experience and reliable information that is available at the time that the financial statements are being prepared. However, the actual results may differ from the estimates.



## 5. ESTIMATES AND ASSUMPTIONS (CONTINUED)

The Bank reviews the estimates and assumptions on a regular basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected.

## 6. ADDITIONAL INFORMATION

### 6.1 Supplementary Information of Cash Flow

Significant non-cash items for the nine-month periods ended September 30, 2016 and 2015 are as follows:

Unit : Million Baht

	<u>September 30, 2016</u>	<u>September 30, 2015</u>
Decrease in revaluation surplus on		
investments in shareholders' equity	(0.13)	(0.78)
Increase in properties foreclosed from loan payment	15.52	-

### 6.2 Interbank and Money Market Items, Net (Assets)

Unit : Million Baht

	<u>September 30, 2016</u>			<u>December 31, 2015</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	23.71	-	23.71	27.35	680.00	707.35
Commercial banks	65.91	2,057.00	2,122.91	174.60	952.62	1,127.22
Specialized financial institutions	<u>0.01</u>	<u>800.00</u>	<u>800.01</u>	<u>0.01</u>	<u>1,200.00</u>	<u>1,200.01</u>
Total	89.63	2,857.00	2,946.63	201.96	2,832.62	3,034.58
<u>Add</u> Accrued interest receivables	-	0.01	0.01	-	0.04	0.04
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(28.57)</u>	<u>(28.57)</u>	<u>-</u>	<u>(21.52)</u>	<u>(21.52)</u>
Total domestic items	<u>89.63</u>	<u>2,828.44</u>	<u>2,918.07</u>	<u>201.96</u>	<u>2,811.14</u>	<u>3,013.10</u>
Foreign items						
US Dollars	201.22	1,258.85	1,460.07	314.63	899.28	1,213.91
Yen	23.89	-	23.89	31.83	-	31.83
Euro	92.89	-	92.89	480.54	197.19	677.73
Other currencies	<u>34.67</u>	<u>-</u>	<u>34.67</u>	<u>32.95</u>	<u>-</u>	<u>32.95</u>
Total	352.67	1,258.85	1,611.52	859.95	1,096.47	1,956.42
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>0.03</u>	<u>0.03</u>	<u>-</u>	<u>0.04</u>	<u>0.04</u>
Total foreign items	<u>352.67</u>	<u>1,258.88</u>	<u>1,611.55</u>	<u>859.95</u>	<u>1,096.51</u>	<u>1,956.46</u>
Total domestic and foreign items	<u>442.30</u>	<u>4,087.32</u>	<u>4,529.62</u>	<u>1,061.91</u>	<u>3,907.65</u>	<u>4,969.56</u>

### 6.3 Derivatives

As at September 30, 2016 and December 31, 2015, the fair value and notional amount classified by type of risk are as follows:

Unit : Million Baht			
<u>September 30, 2016</u>			
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	278.58	19.52	8,167.50
Interest rate	<u>421.11</u>	<u>93.15</u>	<u>5,650.94</u>
Total	<u>699.69</u>	<u>112.67</u>	<u>13,818.44</u>
<u>December 31, 2015</u>			
<u>Type of Risk</u>	<u>Fair Value</u>		<u>Notional Amount</u>
	<u>Assets</u>	<u>Liabilities</u>	
Exchange rate	387.72	27.03	10,540.13
Interest rate	<u>410.25</u>	<u>92.44</u>	<u>6,881.98</u>
Total	<u>797.97</u>	<u>119.47</u>	<u>17,422.11</u>

As at September 30, 2016 and December 31, 2015, the proportion of derivatives transactions classified by type of counterparty based on the notional amount are as follows:

Unit : Million Baht		
<u>Counterparty</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Financial institutions	86.23%	83.26%
Third parties	<u>13.77%</u>	<u>16.74%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

## 6.4 Investments, Net

### 6.4.1 Available-for-Sale Investments

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Domestic marketable equity securities	2.33	2.47

### 6.4.2 Held-to-Maturity Debt Securities

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>Cost/Amortized Cost</u>	<u>Cost/Amortized Cost</u>
Government and state enterprise securities	2,082.42	2,218.44
Foreign debt securities	<u>155.35</u>	<u>161.85</u>
Total	<u>2,237.77</u>	<u>2,380.29</u>

### 6.4.3 General Investments

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	<u>Cost</u>	<u>Cost</u>
Domestic non-marketable equity securities	26.31	26.31
Mutual funds		
- Core Flexible Fund (CORE)	56.23	56.23
- Thailand Prosperity Fund 2 (TTPF2)	24.65	24.65
- Vayupak Fund 1 (VAYU1)	1.00	1.00
Others	<u>0.41</u>	<u>0.41</u>
Total	108.60	108.60
<u>Less</u> Allowance for impairment	<u>(36.10)</u>	<u>(28.50)</u>
Total	<u>72.50</u>	<u>80.10</u>
Total investments, net	<u>2,312.60</u>	<u>2,462.86</u>

6.5 Loans to Customers and Accrued Interest Receivables, Net

6.5.1 Classified by Type of Loan

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Overdrafts	301.34	295.15
Domestic loans - customers	39,865.51	38,480.61
- export bills negotiation	580.17	448.21
- staff loans	240.95	232.94
Overseas loans - foreign government agencies	1,224.34	1,788.08
- customers operating overseas	25,900.34	24,972.57
Others	<u>1.91</u>	<u>6.53</u>
Total loans to customers	68,114.56	66,224.09
<u>Less</u> Deferred revenue	<u>(2.89)</u>	<u>(2.94)</u>
Total loans to customers, net of deferred revenue	68,111.67	66,221.15
<u>Add</u> Accrued interest receivables	<u>242.53</u>	<u>231.86</u>
Total loans to customers and accrued interest receivables, net of deferred revenue	68,354.20	66,453.01
<u>Less</u> Allowance for doubtful accounts		
- Minimum allowance by BOT's regulation	(2,980.37)	(2,778.15)
- Excess allowance	(3,313.24)	(2,764.24)
Revaluation allowance for debt restructuring	<u>(66.62)</u>	<u>(38.73)</u>
Total loans to customers, net	<u>61,993.97</u>	<u>60,871.89</u>

Overseas loans to foreign government agencies, which are extended in accordance with the Thai government monetary and fiscal policy, but not defined as loans to customers from public service account, are as follows:

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Loan for Machinery Purchase and National Development Project	-	563.74
Loan for National Road No.67 Construction Project ( Anlong Veng – Siem Reap) The Kingdom of Cambodia	1,224.34	1,224.34

6.5.2 Classified by Currency and Residency

Unit : Million Baht

	September 30, 2016			December 31, 2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	28,074.47	9,207.23	37,281.70	27,164.24	8,643.09	35,807.33
US Dollar	12,880.71	17,917.45	30,798.16	12,129.20	18,117.56	30,246.76
Other currencies	<u>31.81</u>	<u>-</u>	<u>31.81</u>	<u>167.06</u>	<u>-</u>	<u>167.06</u>
Total	<u>40,986.99</u>	<u>27,124.68</u>	<u>68,111.67</u>	<u>39,460.50</u>	<u>26,760.65</u>	<u>66,221.15</u>

6.5.3 Classified by Business Type and Loan Classification

Unit : Million Baht

	September 30, 2016					
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	3,653.46	-	-	-	-	3,653.46
Manufacturing and commercial	21,653.31	670.97	31.43	178.71	3,388.40	25,922.82
Real estate and construction	3,146.82	-	-	-	39.41	3,186.23
Public utilities and services	34,752.44	20.06	-	-	135.66	34,908.16
Others	<u>441.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441.00</u>
Total	<u>63,647.03</u>	<u>691.03</u>	<u>31.43</u>	<u>178.71</u>	<u>3,563.47</u>	<u>68,111.67</u>

  

	December 31, 2015					
	Pass	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	95.06	-	-	-	-	95.06
Manufacturing and commercial	22,733.09	452.61	323.18	899.30	2,595.62	27,003.80
Real estate and construction	3,255.70	-	-	-	39.41	3,295.11
Public utilities and services	35,258.63	-	-	-	135.51	35,394.14
Others	<u>433.04</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>433.04</u>
Total	<u>61,775.52</u>	<u>452.61</u>	<u>323.18</u>	<u>899.30</u>	<u>2,770.54</u>	<u>66,221.15</u>

#### 6.5.4 Classified by Loan Classification

Unit : Million Baht				
<u>September 30, 2016</u>				
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulation				
Pass	63,865.12	61,642.63	1,100	933.77
Special mention	715.47	691.03	2	13.82
Substandard	31.43	15.07	100	15.07
Doubtful	178.71	161.03	100	161.03
Doubtful of loss	<u>3,563.47</u>	<u>1,856.68</u>	100	<u>1,856.68</u>
Total minimum allowance by BOT's regulation	68,354.20	64,366.44		2,980.37
2. Excess allowance	<u>-</u>	<u>-</u>		<u>3,313.24</u>
Total	<u>68,354.20</u>	<u>64,366.44</u>		<u>6,293.61</u>
 <u>December 31, 2015</u>				
	<u>Loans and</u>	<u>Net Amount</u>	<u>Minimum</u>	<u>Allowance</u>
	<u>Accrued</u>	<u>Subject to</u>	<u>Provision</u>	<u>for</u>
	<u>Interest</u>	<u>Allowance for</u>	<u>Rate (%)</u>	<u>Doubtful</u>
	<u>Receivables</u>	<u>Doubtful Accounts</u>		<u>Accounts</u>
		<u>Provisioning</u>		
1. Minimum allowance by BOT's regulation				
Pass	62,006.60	59,606.04	1,100	1,003.06
Special mention	453.39	452.61	2	9.05
Substandard	323.18	72.79	100	72.79
Doubtful	899.30	259.22	100	259.22
Doubtful of loss	<u>2,770.54</u>	<u>1,434.03</u>	100	<u>1,434.03</u>
Total minimum allowance by BOT's regulation	66,453.01	61,824.69		2,778.15
2. Excess allowance	<u>-</u>	<u>-</u>		<u>2,764.24</u>
Total	<u>66,453.01</u>	<u>61,824.69</u>		<u>5,542.39</u>

### 6.5.5 Non-Performing Loans (NPLs)

As at September 30, 2016 and December 31, 2015, the Bank had non-performing loans which consist of loans classified as substandard, doubtful, doubtful of loss, and loss as follows:

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
NPLs before deducting allowance for doubtful accounts	3,773.61	3,993.02
Percentage of total loans *	5.32	5.84
NPLs after deducting allowance for doubtful accounts	1,740.83	2,226.98
Percentage of net loans	2.53	3.34

\* Total loans are loans to interbank and money market and loans to customers, except loans from public service account.

As at September 30, 2016 and December 31, 2015, the outstanding balance of written-down accounts, which were not included in the financial statements, were Baht 3,454.67 million and Baht 3,827.13 million, respectively. For the nine-month periods ended September 30, 2016 and 2015, the Bank recovered principal from written-down accounts in the amount of Baht 80.71 million and Baht 290.01 million, respectively, from which accounts the bank received cash in the amount of Baht 74.61 million and Baht 190.80 million, respectively.

For the nine-month periods ended September 30, 2016 and 2015, the Bank wrote off bad debts in the amount of Baht 1.74 million and Baht 9.17 million, respectively.

### 6.5.6 Troubled Debt Restructuring

For the nine-month periods ended September 30, 2016 and 2015, the Bank restructured debts as follows:

<u>Types of Restructuring</u>	<u>Cases</u>	2016	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	1	383.67	383.67

The tenure of the above-mentioned restructuring is 8 years. As at September 30, 2016, the outstanding of such restructured loans was Baht 383.71 million.

### 6.5.6 Troubled Debt Restructuring (Continued)

Unit : Million Baht

<u>Types of Restructuring</u>	<u>Cases</u>	<u>2015</u>	
		<u>Outstanding Debt</u>	
		<u>Before Restructuring</u>	<u>After Restructuring</u>
Change of repayment conditions	3	15.46	15.46

The average tenure of the above-mentioned restructuring is 3.31 years. As at September 30, 2015, the outstanding of such restructured loans was Baht 100.68 million.

For the nine-month periods ended September 30, 2016 and 2015, debts restructuring during the period compared to outstanding loans and accrued interest receivable net of deferred revenue are as follows:

Unit : Million Baht

	<u>September 30, 2016</u>		<u>September 30, 2015</u>	
	<u>Cases</u>	<u>Amount</u>	<u>Cases</u>	<u>Amount</u>
Debt restructuring during the period	1	383.67	3	15.46
Loans and accrued interest receivables net of deferred revenue	1,228	68,354.20	1,073	67,670.57

As at September 30, 2016 and 2015, the Bank had outstanding restructured loans reclassified as normal for 34 cases amounting to Baht 844.40 million and for 29 cases amounting to Baht 530.80 million, respectively.

The Bank recognized interest income from debt restructuring as follows:

Unit : Million Baht

	<u>For Three-Month Periods</u>		<u>For Nine-Month Periods</u>	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest income from debt restructuring	12.69	8.71	24.14	31.22



## 6.6 Allowance for Doubtful Accounts

As at September 30, 2016 and December 31, 2015, the Bank had allowance for doubtful accounts as follows:

	Unit : Million Baht						
	September 30, 2016						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,003.06	9.05	72.79	259.22	1,434.03	2,764.24	5,542.39
Increase (decrease) in allowance							
for doubtful accounts	<u>(69.29)</u>	<u>4.77</u>	<u>(57.72)</u>	<u>(98.19)</u>	<u>422.65</u>	<u>549.00</u>	<u>751.22</u>
Ending balance	<u>933.77</u>	<u>13.82</u>	<u>15.07</u>	<u>161.03</u>	<u>1,856.68</u>	<u>3,313.24</u>	<u>6,293.61</u>
	December 31, 2015						
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total
Beginning balance	1,009.70	0.63	624.89	14.72	803.21	2,093.24	4,546.39
Increase (decrease) in allowance							
for doubtful accounts	<u>(6.64)</u>	<u>8.42</u>	<u>(552.10)</u>	<u>244.50</u>	<u>630.82</u>	<u>671.00</u>	<u>996.00</u>
Ending balance	<u>1,003.06</u>	<u>9.05</u>	<u>72.79</u>	<u>259.22</u>	<u>1,434.03</u>	<u>2,764.24</u>	<u>5,542.39</u>

As at September 30, 2016 and December 31, 2015, the Bank's allowance for doubtful accounts on loans accounted for Baht 6,293.61 million and Baht 5,542.39 million, respectively, which exceeds the minimum provisioning requirement based on debt service ability and debt quality set out by the Bank of Thailand in the amount of Baht 3,313.24 million and Baht 2,764.24 million, respectively (Note 6.5.4). The amount of allowance for doubtful accounts in excess of the minimum requirement was based on prudent banking principles.

## 6.7 Revaluation Allowance for Debt Restructuring

As at September 30, 2016 and December 31, 2015, the Bank had revaluation allowance for debt restructuring as follows:

	Unit : Million Baht	
	September 30, 2016	December 31, 2015
Beginning balance	38.73	117.58
Increase	40.78	1.01
Decrease	<u>(12.89)</u>	<u>(79.86)</u>
Ending balance	<u>66.62</u>	<u>38.73</u>

## 6.8 Properties Foreclosed, Net

As at September 30, 2016 and December 31, 2015, the Bank had properties foreclosed, net as follows:

	Unit : Million Baht			
	<u>September 30, 2016</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,078.48	15.59	8.71	1,085.36
- Movable properties	<u>208.17</u>	<u>-</u>	<u>0.15</u>	<u>208.02</u>
Total properties foreclosed	1,286.65	15.59	8.86	1,293.38
<u>(Less)</u> Allowance for impairment	<u>(471.28)</u>	<u>(4.89)</u>	<u>5.27</u>	<u>(470.90)</u>
Total properties foreclosed, net	<u>815.37</u>	<u>10.70</u>	<u>3.59</u>	<u>822.48</u>
	<u>December 31, 2015</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Assets from debt repayment				
- Immovable properties	1,089.22	4.69	15.43	1,078.48
- Movable properties	<u>208.17</u>	<u>-</u>	<u>-</u>	<u>208.17</u>
Total properties foreclosed	1,297.39	4.69	15.43	1,286.65
<u>(Less)</u> Allowance for impairment	<u>(453.44)</u>	<u>(17.84)</u>	<u>-</u>	<u>(471.28)</u>
Total properties foreclosed, net	<u>843.95</u>	<u>(13.15)</u>	<u>15.43</u>	<u>815.37</u>

As at September 30, 2016 and December 31, 2015, the Bank had immovable assets from debt repayment in the amount of Baht 1,085.36 million and Baht 1,078.48 million, respectively, which were appraised by external appraisers.

### 6.9 Premises and Equipment, Net

As at September 30, 2016 and December 31, 2015, the Bank had premises and equipment, net as follows:

Unit : Million Baht

	September 30, 2016								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transferout	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	362.03	8.01	-	370.04	313.21
- Building improvement	130.45	0.84	-	131.29	119.59	2.15	-	121.74	9.55
Equipment									
- Office equipment and fixtures	279.73	11.91	8.47	283.17	247.14	9.69	8.43	248.40	34.77
- Vehicles	86.62	14.27	15.85	85.04	35.53	4.63	11.32	28.84	56.20
Assets pending for write off	-	4.54	4.54	-	-	-	-	-	-
Assets under construction*	-	1.71	1.71	-	-	-	-	-	-
<b>Total</b>	<b>1,571.31</b>	<b>33.27</b>	<b>30.57</b>	<b>1,574.01</b>	<b>764.29</b>	<b>24.48</b>	<b>19.75</b>	<b>769.02</b>	<b>804.99</b>

\* Assets under construction-disposals/ transfer out are assets recognized during the year.

	December 31, 2015								Premises and Equipment, Net
	Cost				Accumulated Depreciation				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposals/ Transferout	Ending Balance	
Land	391.26	-	-	391.26	-	-	-	-	391.26
Buildings									
- Buildings	683.25	-	-	683.25	351.37	10.66	-	362.03	321.22
- Building improvement	129.89	2.35	1.79	130.45	118.02	3.36	1.79	119.59	10.86
Equipment									
- Office equipment and fixtures	272.74	15.08	8.09	279.73	242.72	12.50	8.08	247.14	32.59
- Vehicles	83.43	15.37	12.18	86.62	34.08	9.80	8.35	35.53	51.09
Assets pending for write off	-	3.77	3.77	-	-	-	-	-	-
Assets under construction*	-	1.61	1.61	-	-	-	-	-	-
<b>Total</b>	<b>1,560.57</b>	<b>38.18</b>	<b>27.44</b>	<b>1,571.31</b>	<b>746.19</b>	<b>36.32</b>	<b>18.22</b>	<b>764.29</b>	<b>807.02</b>

\* Assets under construction-disposals/ transfer out are assets recognized during the year.

### 6.10 Intangible Assets, Net

As at September 30, 2016 and December 31, 2015, the Bank had intangible assets as follows:

Unit : Million Baht

	September 30, 2016								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	134.44	6.33	0.01	140.76	85.80	14.21	0.01	100.00	40.76
Software under installation*	<u>47.47</u>	<u>5.87</u>	<u>6.26</u>	<u>47.08</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.08</u>
Total	<u>181.91</u>	<u>12.20</u>	<u>6.27</u>	<u>187.84</u>	<u>85.80</u>	<u>14.21</u>	<u>0.01</u>	<u>100.00</u>	<u>87.84</u>

\* Software under installation-disposals/transfer out are assets recognized during the year.

	December 31, 2015								Intangible Assets, Net
	Cost				Accumulated Amortization				
	Beginning Balance	Additions/ Transfer in	Disposals/ Transfer out	Ending Balance	Beginning Balance	Amortization	Disposals/ Transfer out	Ending Balance	
Computer software	115.06	19.41	0.03	134.44	68.28	17.55	0.03	85.80	48.64
Software under installation*	<u>47.47</u>	<u>6.37</u>	<u>6.37</u>	<u>47.47</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47.47</u>
Total	<u>162.53</u>	<u>25.78</u>	<u>6.40</u>	<u>181.91</u>	<u>68.28</u>	<u>17.55</u>	<u>0.03</u>	<u>85.80</u>	<u>96.11</u>

\* Software under installation-disposals/transfer out are assets recognized during the year.

### 6.11 Reinsurance Assets

As at September 30, 2016 and December 31, 2015, the Bank had reinsurance assets as follows:

Unit : Million Baht

	September 30, 2016	December 31, 2015
Amounts due from reinsurers	0.03	0.34
Insurance reserves from reinsurance	<u>130.32</u>	<u>132.38</u>
Total reinsurance assets	<u>130.35</u>	<u>132.72</u>

## 6.12 Other Assets, Net

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Revenue receivable, net	3.25	4.15
Insurance claim receivables, net of reinsurance	189.13	204.65
Allowance for insurance claim receivables	(189.13)	(204.65)
Leasehold rights	1.02	1.34
Advance deposits	1.99	2.31
Others	<u>2.00</u>	<u>1.21</u>
Total	<u>8.26</u>	<u>9.01</u>

## 6.13 Deposits

### 6.13.1 Classified by Type of Deposit

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Current	2,321.53	2,171.05
Savings	205.78	207.47
Fixed	<u>4,444.43</u>	<u>3,898.56</u>
Total	<u>6,971.74</u>	<u>6,277.08</u>

### 6.13.2 Classified by Currency and Residency of Depositors

	Unit : Million Baht					
	<u>September 30, 2016</u>			<u>December 31, 2015</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	5,202.84	1.25	5,204.09	4,771.23	1.07	4,772.30
US Dollar	549.77	1,206.66	1,756.43	476.75	1,014.18	1,490.93
Other currencies	<u>11.22</u>	<u>-</u>	<u>11.22</u>	<u>13.85</u>	<u>-</u>	<u>13.85</u>
Total	<u>5,763.83</u>	<u>1,207.91</u>	<u>6,971.74</u>	<u>5,261.83</u>	<u>1,015.25</u>	<u>6,277.08</u>

6.14 Interbank and Money Market Items, Net (Liabilities)

Unit : Million Baht

	<u>September 30, 2016</u>			<u>December 31, 2015</u>		
	<u>At Call</u>	<u>Term</u>	<u>Total</u>	<u>At Call</u>	<u>Term</u>	<u>Total</u>
Domestic items						
Bank of Thailand	-	0.92	0.92	-	8.11	8.11
Commercial banks	1.62	5,204.99	5,206.61	0.62	5,413.28	5,413.90
Specialized financial institutions	85.56	1,533.37	1,618.93	15.46	1,274.75	1,290.21
Other financial institutions	-	8,400.00	8,400.00	-	7,150.00	7,150.00
Total domestic items	<u>87.18</u>	<u>15,139.28</u>	<u>15,226.46</u>	<u>16.08</u>	<u>13,846.14</u>	<u>13,862.22</u>
Foreign items						
US Dollar	378.44	-	378.44	317.78	-	317.78
Euro	15.19	-	15.19	654.86	-	654.86
Other currencies	2.76	-	2.76	308.88	-	308.88
Total foreign items	<u>396.39</u>	<u>-</u>	<u>396.39</u>	<u>1,281.52</u>	<u>-</u>	<u>1,281.52</u>
Total domestic and foreign items	<u>483.57</u>	<u>15,139.28</u>	<u>15,622.85</u>	<u>1,297.60</u>	<u>13,846.14</u>	<u>15,143.74</u>

6.15 Debt Issued and Borrowings

6.15.1 Classified by Type of Instrument and Source of Fund

Unit : Million Baht

	<u>September 30, 2016</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	33,658.90	33,658.90
Total debt issued and borrowings	<u>-</u>	<u>33,658.90</u>	<u>33,658.90</u>
	<u>December 31, 2015</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Bonds	-	35,005.89	35,005.89
Promissory notes	1,225.00	-	1,225.00
Total debt issued and borrowings	<u>1,225.00</u>	<u>35,005.89</u>	<u>36,230.89</u>

### 6.15.2 Classified by Type of Instrument, Currency, Maturity and Interest Rate

Unit : Million Baht

	<u>Currency</u>	<u>Maturity</u> (year)	<u>Interest Rate /</u> <u>Interest Rate Index</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Bonds	USD	2016 - 2020	LIBOR ± MARGIN	33,658.90	35,005.89
Promissory notes	THB	2016	3.80 - 4.50%	<u>-</u>	<u>1,225.00</u>
Total debt issued and borrowings				<u>33,658.90</u>	<u>36,230.89</u>

### 6.16 Provisions

As at September 30, 2016 and December 31, 2015, the Bank had set up provisions as follows:

Unit : Million Baht

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Employee benefits	166.21	156.54
Provisions for contingent liabilities	33.08	49.79
Other provisions	<u>0.94</u>	<u>2.12</u>
Total provisions	<u>200.23</u>	<u>208.45</u>

The Bank assesses the provision for employee benefits by using the Projected Unit Credit method.

The details of the Bank's employee benefits for the period are as follows:

Unit : Million Baht

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Beginning Balance	156.54	134.73
Current service cost*	10.08	10.38
Interest cost*	3.78	4.80
Employees benefit paid during the year	(4.19)	(7.70)
Actuarial losses based on updated assumption	<u>-</u>	<u>14.33</u>
Ending Balance	<u>166.21</u>	<u>156.54</u>

\*These items are presented as expenses in the statements of profit or loss and other comprehensive income.

### 6.17 Other Liabilities

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Advance deposits	53.67	50.66
Expenses payable	26.45	20.39
Account payable	7.44	10.57
Reinsurance payable	8.91	4.80
Deferred revenue	22.59	9.12
Withholding tax payable	3.27	5.69
Provision for stand-by claims purchase agreement	14.04	13.54
Provision for expected loss	329.10	311.96
Suspense liabilities	230.81	140.21
Others	<u>0.20</u>	<u>0.22</u>
Total	<u>696.48</u>	<u>567.16</u>

### 6.18 Capital

The Bank had an initial capital of Baht 2,500 million. The Bank received additional capital from the Ministry of Finance on July 31, 1998 in the amount of Baht 4,000 million and subsequently on December 30, 2008 and September 21, 2009 in the amount of Baht 1,300 million and Baht 5,000 million, respectively. Thereby, the Bank has total capital amounting to Baht 12,800 million.

### 6.19 Remittance to the Ministry of Finance

The Ministry of Finance approved the appropriation of net income for the year 2015 as the national revenue amounting to Baht 555.45 million. The Bank remitted the interim national revenue amounting to Baht 272.80 million to the Ministry of Finance on November 18, 2015 and the remaining amount Baht 282.65 million on June 15, 2016.

The Ministry of Finance approved the appropriation of net income for the year 2014 as the national revenue amounting to Baht 554.30 million. The Bank remitted the interim national revenue amounting to Baht 268.50 million to the Ministry of Finance on October 31, 2014 and the remaining amount Baht 285.80 million on June 12, 2015.



## 6.20 Contingent Liabilities

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Liabilities under immature import bills	273.21	398.85
Letters of credit	580.18	327.44
Export bills insured	13,492.49	14,157.29
Other contingencies		
Overdraft accounts not yet drawn	571.80	569.20
Other guarantees	5,079.57	4,455.24
Investment insurance	1,769.69	1,840.52
Stand-by claims purchase agreement	<u>1,404.34</u>	<u>1,340.16</u>
Total other contingencies	<u>8,825.40</u>	<u>8,205.12</u>
Total	<u>23,171.28</u>	<u>23,088.70</u>

## 6.21 Other Benefits to Directors and Executives

The Bank pays no further benefits to directors and executives other than normal remuneration such as monthly allowance, meeting allowance and bonus for directors (if any), salary for executives, special monthly allowance for executives (if any).

## 6.22 Long-Term Leasing Contracts

The Bank has commitment arising from lease agreements of the Bank's branch offices. The Bank commits to pay future lease as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Within 1 year	4.26	4.33
Over 1 - 5 years	3.89	4.33

The Bank enters into a sublease agreement which the Bank will receive sublease rentals in the future as follows:

	Unit : Million Baht	
<u>Remaining Period</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Within 1 year	0.07	0.22
Over 1 - 5 years	-	0.02

## 6.23 Financial Position and Operational Performance Classified by Domestic and Foreign Operations

As the Bank has no foreign branches, its financial position and operational performance are totally related to local branches.

#### 6.24 Interest Revenue

Interest revenue for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	48.53	63.16
Investment in debt securities	28.70	30.72
Loans *	<u>2,359.90</u>	<u>2,297.38</u>
Total interest revenue	<u>2,437.13</u>	<u>2,391.26</u>

\* Including front end fee and management fee

#### 6.25 Interest Expenses

Interest expenses for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Deposits	28.94	44.71
Interbank and money market items	246.45	261.94
Debt issued		
- Foreign bonds	322.61	246.21
- Promissory notes	7.05	38.64
- Borrowing fee	<u>6.04</u>	<u>6.49</u>
Total interest expenses	<u>611.09</u>	<u>597.99</u>

#### 6.26 Fees and Service Revenue, Net

Net fees and service revenue for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Fees and service revenue		
- Acceptance aval and guarantee	34.82	29.93
- Revenue from insurance	103.61	113.87
- Others	<u>127.13</u>	<u>115.08</u>
Total fees and service revenue	<u>265.56</u>	<u>258.88</u>
Fees and service expenses		
- Expense on insurance	45.47	52.98
- Others	<u>9.13</u>	<u>3.47</u>
Total fees and service expenses	<u>54.60</u>	<u>56.45</u>
Total fees and service revenue, net	<u>210.96</u>	<u>202.43</u>

### 6.27 Gains on Tradings and Foreign Exchange Transactions

Gains on tradings and foreign exchange transactions for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Foreign exchanges and derivatives	59.63	60.28
Interest rate derivatives	<u>10.01</u>	<u>(28.22)</u>
Total gains on tradings and foreign exchange transactions	<u>69.64</u>	<u>32.06</u>

### 6.28 Gains (Losses) on Investments

Gains (losses) on investments for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Gains on disposal of general investments	-	3.18
Losses on impairment of general investments	<u>(7.60)</u>	<u>(3.19)</u>
Total gains (losses) on investments	<u>(7.60)</u>	<u>(0.01)</u>

### 6.29 Impairment Loss of Loans and Debt Securities

Impairment loss of loans and debt securities for the nine-month periods ended September 30, 2016 and 2015 are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interbank and money market items	7.05	(27.10)
Loans		
- Bad debts and doubtful accounts *	672.17	513.51
- Loss on restructuring	<u>37.20</u>	<u>(58.37)</u>
Total	<u>709.37</u>	<u>455.14</u>
Loans from public service account		
- Bad debts and doubtful accounts	<u>(9.62)</u>	<u>0.62</u>
Total impairment loss of loans and debt securities	<u>706.80</u>	<u>428.66</u>

\* Including written-down debt recovered and bad debt recovered

### 6.30 Public Service Account

#### 6.30.1 Summary of Public Service Account

As at September 30, 2016 and December 31, 2015, the assets from public service account are as follows:

	Unit : Million Baht	
	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Loans to customers from public service account and accrued interest receivables, net	6,292.87	7,245.95
Receivable eligible for government reimbursement	<u>21.30</u>	<u>8.00</u>
Total assets	<u>6,314.17</u>	<u>7,253.95</u>

Revenue and expenses from public service account for the nine-month periods ended September 30, 2016 and 2015, are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Revenue from public service account	226.74	191.22
<u>Less</u> Expenses from public service account	(101.71)	(74.77)
<u>Less</u> Impairment loss of loans and debt securities from public service account	<u>9.62</u>	<u>(0.62)</u>
Net income	<u>134.65</u>	<u>115.83</u>

#### 6.30.2 Loans to Customers from Public Service Account and Accrued Interest Receivables, Net

			Unit : Million Baht	
<u>Project</u>	<u>Project Summary</u>	<u>Duration</u>	<u>September 30, 2016</u>	<u>December 31, 2015</u>
Financial Assistant	To enlarge Thai shipping fleet by	2011 - 2018	6,292.87	7,245.95
Scheme for Maritime Businesses Project	financing to Thai maritime businesses for purchase of ships at low interest rate with a grace period before repayment			

**6.30.3 Loan Classification and Provision for Public Service Account**

As at September 30, 2016 and December 31, 2015, loan classification and provision for the financial assistant scheme for maritime businesses project are as follows:

Unit : Million Baht					
<u>September 30, 2016</u>					
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision</u> <u>Rate (%)</u>	<u>Allowance for</u> <u>Doubtful Accounts</u>
Pass	19	6,353.67	9,366.76	1	63.54
<u>December 31, 2015</u>					
<u>Loan Classification</u>	<u>Cases</u>	<u>Outstanding</u>	<u>Collateral Value</u>	<u>Minimum Provision</u> <u>Rate (%)</u>	<u>Allowance for</u> <u>Doubtful Accounts</u>
Pass	20	7,315.42	12,176.92	1	73.15

**6.30.4 Receivable Eligible for Government Reimbursement**

As at September 30, 2016 and December 31, 2015, the Bank is eligible for government reimbursement for the operating expenses of lending loan for the financial assistant scheme for maritime businesses project amounting to Baht 21.30 Million and Baht 8.00 Million, respectively.

**6.30.5 Revenue from Public Service Account**

Revenue from public service account for the nine-month periods ended September 30, 2016 and 2015, are as follows:

Unit : Million Baht		
	<u>2016</u>	<u>2015</u>
Revenue from public service account		
- Interest revenue *	161.37	125.10
- Fees and service revenue	0.32	6.85
Compensation for public service account		
- Compensation for operating expenses	<u>65.05</u>	<u>59.27</u>
Total	<u>226.74</u>	<u>191.22</u>

\* Including front end fee and management fee

### 6.30.6 Expenses from Public Service Account

Expenses from public service account for the nine-month periods ended September 30, 2016 and 2015, are as follows:

	Unit : Million Baht	
	<u>2016</u>	<u>2015</u>
Interest expenses	89.10	61.94
Operating expenses	12.57	12.79
Other expenses	<u>0.04</u>	<u>0.04</u>
Total	<u>101.71</u>	<u>74.77</u>

### 6.31 Reclassification of Accounts

The Bank has reclassified some items in the comparative statements of financial position as at December 31, 2015, and the statements of profit or loss and other comprehensive income for the nine-month periods ended September 30, 2015 in order to conform with the Notification, issued by the Bank of Thailand, No. SorKorSor. 1/2559 dated June 29, 2016 regarding the Preparation and Announcement of the Financial Statements of Specialized Financial Institutions and the TFRS 4 (Revised 2015): Insurance Contracts.

As adopting the TFRS 4 (Revised 2015): Insurance Contracts, the reclassification of accounts to comparative statements of financial position as at December 31, 2015 are as follows :

	Unit : Million Baht		
<u>Item</u>	<u>Before</u>	<u>After</u>	<u>Increase</u>
	<u>Adjustment</u>	<u>Adjustment</u>	<u>(Decrease)</u>
Reinsurance assets	-	132.72	132.72
Provision for insurance service	94.28	260.60	166.32
Other liabilities	600.77	567.17	(33.60)

### 6.32 Events After the Reporting Period

On September 29, 2016, the Board of Directors Meeting of the Bank approved the payment of interim national revenue from the six-month operating results of 2016 amounting to Baht 214.40 million, and the Bank remitted the above-mentioned amount to the Ministry of Finance on October 20, 2016.

### 6.33 Approval of the Financial Statements

These financial statements have been authorized to issue by the Chairman of the Board of Directors and President on December 15, 2016.